

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF ALABAMA**

In re

Case No. 05-32220-WRS

Chapter 7

CUSTOM SERVICES
INTERNATIONAL INC.,

Debtor

MEMORANDUM DECISION

This Chapter 7 bankruptcy case came before the Court for hearing on September 16, 2008. Chapter 7 Trustee Daniel Hamm was present in person and Jim Finn of Akron Dispersions, Inc., appeared telephonically. Akron Dispersions requests that the Court reconsider its order of August 21, 2008, wherein its claim was disallowed. (Doc. 208). Trustee Hamm further seeks a correction of this Court's order, wherein the August 21, 2008 Order indicated claims No. 11 and 27, when the reference should have been to Claim No. 18. (Doc. 207). Thus, the August 21, 2008 Order should be vacated.

Trustee Hamm objected to the claim of Akron Dispersions, Inc., on the grounds that the invoice was directed to LMR International, Inc., rather than the Debtor. This case is complicated by the fact that it began as a Chapter 11 case in Nevada and was subsequently transferred here where it was converted to a case under Chapter 7. (Doc. 47). For this reason, the Court did not develop much familiarity with the structure of the Debtor corporation. Jim Finn of Akron Dispersions argued that CSI (the Debtor) and LMR were one in the same and that the debts of one were owed by the other. No evidence was offered on this point, however, the Court is of the understanding that LMR International, Inc., was a nondebtor affiliate of the Debtor and that both corporations were run by the same officers out of the same location in Eufaula, Alabama.

On the other hand, the corporations were separate entities. No creditor filed an involuntary petition against LMR so there was no opportunity to consider substantive consolidation of two cases. There are two separate corporations with separate shareholders and separate creditor populations and separate asset pools. There was not sufficient evidence offered to effectively consolidate the cases. Moreover, the evidence does not show that the invoice to LMR was also owed by CSI. For these reasons, the motion to reconsider filed by Akron Dispersions is denied. The Court will enter a separate order to this effect.

Done this 25th day of November, 2008.

/s/ William R. Sawyer
United States Bankruptcy Judge

c: Daniel G. Hamm, Trustee
Jim Finn, Akron Dispersions